

FRACTIONAL CURRENCY COLLECTOR'S BOARD  
c/o M.R. Friedberg  
2537 Claver Rd.  
Cleveland, OH 44118

March 15, 1990

SPRING NEWSLETTER

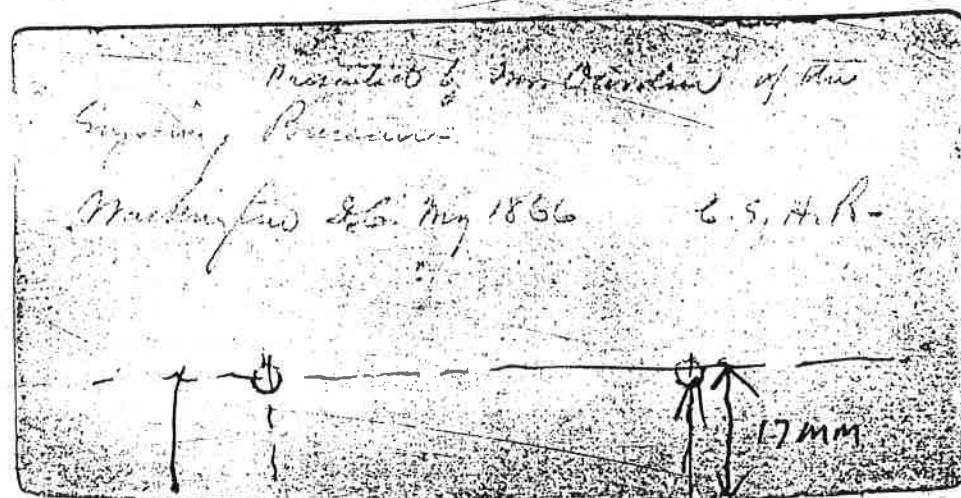
- 1) Attached you will find a list of our current 105 members. If your name is marked paid, disregard the enclosed mailing label addressed to W. Lee, our Treasurer. Otherwise, your 1990 \$10 dues are now payable. Please mail directly to Dr. Lee and don't forget to mark your name on the envelope to properly identify your payment. Remember that dues are now due and payable as of January 1. Dr. Lee requests that you also tell him if you are an ANA member so that he may comply with an ANA request.
- 2) You will find enclosed a copyright page that was not supplied with your copy of the updated "Encyclopedia". Please insert it as the second page of your copy. Also included is the "Table of Contents" that belongs just after the "Author's Rationalization" and before page 1.
- 3) Martin Gengerke is still fussing with the Boxes ordered at the 1989 Memphis convention. He is hopeful that he can succeed in getting a usable negative to the box maker and still make delivery before the 1990 Memphis Show.
- 4) Enclosures include an article by Benny Bolin and a copy of Linn's "Stamp News" article on PMG submitted by Bill Brandimore. Thanks are due Benny Bolin for his outstanding work in increasing our membership.
- 5) Also enclosed is a copy of the "Bank Note Reporter" article on the Sotheby sale of member Dr. Ron Kessler's collection. It has been reported to me that the notes on the shields were removed from the shields, professionally restored and both notes and backgrounds cleaned before re-assembling. The apparently inverted 25c 3rd issue backs on two of the shields were replaced upside down and are not inverted notes. The shields are outstandingly bright.
- 6) A copy of an article by Robert Hatfield from "the Rag Picker" of the Paper Money Collectors may be of interest.
- 7) Also enclosed is a copy of "Linn's Stamp News" article on the Treasury seals that should interest you.
- 8) Austin Sheehan, a Governor of the SPMC, forwarded photocopies of a recent acquisition including a "New York Times" article that is of high interest.
- 9) Our next official meeting is at the Memphis Paper Money Show, June 15, 16, 17, 1990. President Doug Hales is arranging for an open meeting on Saturday and the show directory will specify time and place. A copy of the show flyer is attached for your information.
- 10) Doug Hales reports the existence of a note identical to 2S10F.1 except it does not have a Bronze "Specimen". It has been assigned number 2S10F.1c and a rarity of "Unique".
- 11) The official Specimen Presentation Book (#12) given To Wm. P. Fessenden has been located and appears to be intact. It is in the possession of the American Numismatic Society in New York City. It was presented to them by Fessenden's family in July of 1940 and is bound in red leather. (Info per MTG 2/16/90).

M.R. Friedberg.

LAST MINUTE ADDITION  
ADD TO YOUR Encyclopedia!



3E50F.7a. Proof. FACE: Sheet position indicator: none, black, Register's signature: none, F.E. Spinner signature: none, bronze surcharge: none. BACK: None. PAPER: Thick card, .014-.015" thick, (almost blotter paper). RARITY: Unique. SPECIAL NOTES: Missing back. Missing face surcharge. No signatures. Handwritten in pencil on back is "Presented by Mr Qurdan of the Engraving Bureau, Washington D.C. May 1866 C.S.H.R." (Editorial Note: C.S.H.R. believed to stand for Charles Sitgreaves, House of Representatives, New Jersey). Punched with two 3mm. diameter holes separated 55mm. Each hole located where the signature should appear. +



3E50F.7a

**1E5F.3a.** Essay. FACE: Black. BACK: None. PAPER: White  
India paper. RARITY: Unique. SPECIAL NOTES: Cut to  
Postage Stamp size. Accompanied by "The Philatelic  
Foundation" Expert Committee Certificate Number 0238966  
dd 4/18/1991 stating "unused, Scott 75E variety,  
unlisted essay, and we are of the opinion that: It is a  
genuine proof in black, cut out from 5 cent Postage  
Currency (Type of Scott 1)".

**1E10F.1b.** Essay. FACE: Black. BACK: None. PAPER: White  
India paper. RARITY: Unique. SPECIAL NOTES: Cut to  
Postage Stamp size. Accompanied by "The Philatelic  
Foundation" Expert Committee Certificate Number 0238965  
dd 4/18/1991 stating "unused, Scott 68E variety,  
unlisted essay, and we are of the opinion that: It is a  
genuine proof on india in black, cut out from 10 cent  
Postage Currency (Type of Scott 2)".

# Shenanigans common in numismatic history Clark portrait an example

Continuing this week, Q. David Bowers presents an overview of United States and early American coinage, with some suggestions for coin collectors and investors. Certain portions of the information appear in his new book, "A Buyer's Guide to the Rare Coin Market."



## Numismatic depth study

By Q. David Bowers

BALANCE OF ARTICLE  
DISCUSSES  
OTHER  
MATTERS!

Copyright 1990 by Q. David Bowers

Among the most interesting of all United States paper money are the inexpensive and generally ignored Civil War era 5-cent fractional currency pieces bearing the portrait of "Clark."

Nineteen members of Congress, the public, and others who saw these notes when they were circulated thought that the depiction was that of William Clark, who with Meriwether Lewis mounted the famous Lewis and Clark Expedition to the Northwest in 1804-1806. But they were wrong!

The portrait was unauthorized and showed Spencer M. Clark, head of the National Currency Bureau (later renamed Bureau of Engraving and Printing), a very colorful individual.

### AN ARTICLE THAT MIGHT INTEREST YOU...

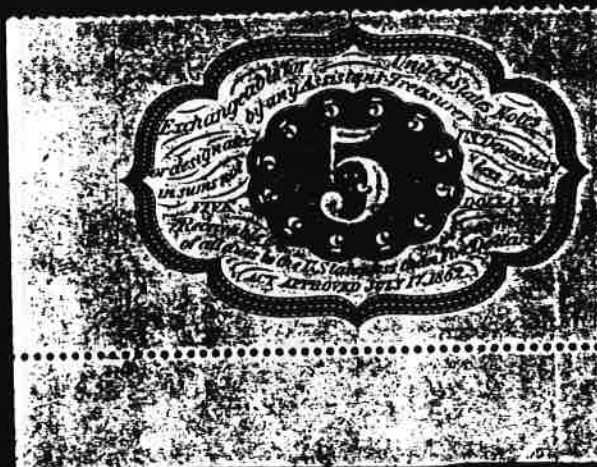
Those of you who remember the "trompe l'oeil" paintings of fractional currency discussed in earlier Newsletters, will be interested in the March 1992 issue of the "Smithsonian". Pages 52 through 62 discuss the artist William Harnett and his works. On page 57 is a color reproduction of a "trompe l'oeil" by John Haberle. It clearly illustrates a fractional currency note.

There was no point in reproducing the article in black and white, since all detail would be lost. Go to the Library and look up the current issue of the "Smithsonian" if you have an interest.

Milt.



1K5. ZE





FIFTY CENT REVERSE  
Tête - Bêche Pair

5250R.300



# Sett of Postage Currency.

12

These specimens received from  
the assistant Treasurers Office, (Wall Street  
New York) on the first day of public  
Issue, Monday September 8<sup>th</sup> 1862  
obtained by Theodore W. Van Borden



## The New York Times.

NEW YORK, WEDNESDAY, SEPT. 10, 1862.

### The Postage Currency.

PAYMENT OF NOTES OF THE NEW CURRENCY—  
RESUMED—GREAT NUMBER OF APPLICANTS—  
THE NUMBER ON MONDAY AND TUESDAY—MAN-  
NER OF DISBURSEMENT.

The payment of the new postage stamp currency was resumed last Monday. Although several weeks have elapsed since the notes were first issued, and since they have been disbursed in Washington by army paymasters, but few had found their way into circulation in this City. About a fortnight since the Sub-Treasurer paid a very small number to people desirous of obtaining them; but so few were disbursed that they are seldom met with. They have been received at the Custom-house, in sums less than five dollars, for fees, &c., and a few have been re-turled to importers, by the Cashier, in making change. The Sub-Treasurer was the scene of great activity on Monday; the number of applicants for the new notes being very large—a long line extending from the entrance, through Wall-street to Nassau. The announcement was made, by advertisement, that the payment would be resumed on that day, but that the notes would be disbursed only in sums of five dollars. This plan was adopted to ensure speed in the delivery, and thus prevent all unnecessary delay. Packages of the notes, valued at five dollars, were rapidly delivered. Each package contained stamps of the different denominations assorted. Notes for five, ten, twenty-five and fifty cents and the only ones issued. About \$10,000 worth of the notes were disbursed in this manner on Monday. On Tuesday, the notes that were generally known that on the day before, and at an early hour, very large crowds had assembled at the Sub-Treasurer's. The line of applicants at about ten o'clock extended from the Sub-Treasurer through Wall-street to Williams and even to Liberty-street. Only a small number of the notes were held out, and a greater portion of those waiting their turn were disappointed, being unable to obtain the change desired.

U. S. United States Treasury, New York, September 8th, 1862.—Postage Currency, in assorted packages of Five Dollars, can be obtained at this office, in exchange for United States Notes. Only a single package will be given to an applicant. Apply at the large room, second story, between the hours of 10 and 2 o'clock. JOHN A. QUINN, Assistant Treasurer U. S.



Dear MILT:

This is the set I recently required  
in the envelope with the clippings that we discussed  
at St. Louis -

Respect,  
Austin.  
↑  
AUSTIN SHEEHAN  
GOVERNOR OF SPMC



THE TWENTY-FIVE CENTS  
FRACTIONAL CURRENCY  
FIFTH ISSUE  
TYPE NOTE

by Robert D. Hatfield  
PMCM #2119

"This note is exchangeable for United States Notes by the Assistant Treasurer and Designated Depositories of the United States in sums not less than Three Dollars. Receivable in payment of all dues to the United States less than Five Dollars Except Customs."

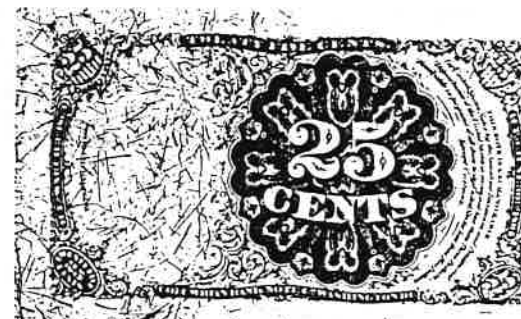
The above quotation is the obligation printed on the back of all Fifth Issue Fractional Currency. Custom duties were to be paid in specie. The Fifth Issue was printed between March 26, 1874 and February 15, 1876, and the Ten, Twenty-Five and Fifty Cent Notes. The Act of April 17, 1876 called for the redemption of all issues of postal and fractional currencies.

The front of the 25 cent note portrays Robert James Walker the Secretary of the Treasury from March 5, 1845 until March 5, 1849. Walker was born July 19, 1801 at Northumberland Pennsylvania. He married a granddaughter of Benjamin Franklin and moved to Tennessee where he was elected to the U.S. Senate in 1834. His appointment as Secretary came for his help in getting James Polk elected President in 1844. Robert served for a brief while as Governor of Kansas in 1857. Walker died in Washington, D.C. on November 11, 1869.



The two signers of this note were John Allison and F.E. Spinner. John Allison was born August 5, 1812 in Beaver, Pennsylvania. He served in the State House in 1846, 1847, and 1849, and in the U.S. House 1851-53 and 1855-57. John was appointed Register of the Treasury on April 3, 1869 and served until his death on March 23, 1878. F.E. Spinner was Francis Elias Spinner born on January 21, 1802 at Mohawk, German Flats, New York. Spinner was auditor and Deputy Naval Officer of the Port of New York 1845-49. He served in the U.S. House 1855-61. Francis became Treasurer on March 16, 1861 and served until July 1, 1875. Spinner is often credited with hiring the first women in the Civil Service. He died on December 31, 1890 in Florida. The Allison and Spinner signature combination was used for over six years on several types of notes.

Much of the credit for the inception of fractional currency belongs to Salmon Portland Chase, the Secretary of the Treasury March 6, 1861-July 1, 1864. Chase was born at Cornish, New Hampshire on January 13, 1808. He moved to Ohio in 1829 and was elected to the U.S. Senate February 22, 1849 and served until 1855. Salmon was elected Governor of Ohio in 1855 and 1857. He returned to the Senate in 1860 but served only until his appointment as Secretary. After his resignation from the Treasury, Chase was appointed the Chief Justice of the U.S. Supreme Court by Lincoln. He served until his death on May 7, 1873. Chase presented his plans for the use of postage as currency to the Congress in 1862. The use of postage as money was not a good idea, for the stamps became soiled and stuck together rather easily. The Act of March 3, 1863 (12 Statues at Large 709) relieved the gummy situation with the issue of fractional currency. This act was revised by the Act of June 30, 1864 (13 Stat. L. 218). These two acts bear prominence on the back of the Fifth Issue Twenty-Five Cents issue.



The backs of the Ten and Twenty-Five Cents fractional currency-fifth issue were the product of the Columbian Banknote Co. Washington D.C. This firm also did the backs of a number of Silver Certificates and Legal Tender Notes. Very little specific information exists on this firm other than a city directory of 1873 shows it at 908 Pennsylvania Avenue, N.W. The city directory of 1890 no longer listed the company and it may have been absorbed by the American Bank Note Company. The fronts of all the fifth issue notes were the work of the rather new Bureau of Engraving and Printing (BEP).

The paper used is a cream white bond with minute pink fibers and long lilac fibers distributed throughout. There are localized blue fibers at the right end, and the notes were treated with sizing. The note comes with either a short thick key or a long thin key with the Treasury Seal. The front of the note is done mostly with black ink; the seal is red. The back is done with green, yellow green, and blue green ink. The signatures are printed. The notes measure approximately 50mm x 87mm.

A serious lack of small change, especially silver, was the reason for postal and fractional currencies. Indeed when one looks at the Redbook one can see small mintage for the silver three-cent from 1863 til its end in 1873; the copper-nickel three cent started off with large mintages but quickly went down to very small numbers by 1878; the nickel five cent also began with large numbers but decreased quite drastically by 1871; the silver half dime had low to very low mintages 1863 to 1873; the silver dime, twenty cent, twenty-five cent, and fifty cent coins were all greatly reduced in quantity from 1863 to 1880. (The 20 cent of 1875-78 had a total mintage less than 2 million pieces.) So there was indeed a shortage of coins from the mint, and those being struck were quickly leaving the country, mostly for Canada.

The postal and Fractional Currencies are not as popular as Legal Tender Notes or National Bank Notes of the era. They are all to be considered scarce for less than 1% of all that were printed exist today. Take a look at the Twenty-five Cents Fractional Currency-Fifth Issue, it is an important part of our nation's paper money history.  
HAPPY COLLECTING!!

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FROM THE OCT-DEC 1989  
"Rag Picker" of  
the Michigan Paper  
Money Collectors.

## Fractional Currency goes up for bids as Sotheby's slates March 27 auction

Sotheby's will sell in one lot the Fractional Currency collection of Dr. Ronald H. Kessler, during its sale of U.S. and world coins March 27, 1990.

Kessler, a Florida dentist, spent over a quarter of a century amassing what is generally known to be one of the finest private collections of U.S. Fractional Currency, a spokesman for Sotheby's said. Kessler has always been fascinated with the Civil War period, and it was with this interest that he began collecting Fractional Currency in the early 1960s, the spokesman added.

This collection is anchored by a run of approximately 273 regular issue and specimen notes, the vast majority of which are in about uncirculated to crisp uncirculated condition. Some of the great rarities to be featured include F-1248, F-1260, F-1299, F-1300, F-1309a (2), F-1309b, F-1330, F-1338, F-1344, F-1348, F-1367, F-1371, F-1254sp, F-1329sp, obv., wm., F-1339sp, rev. nm., F-1339sp, rev. wm., and F-1276sp, obv., without signatures (Milton 3S15F.5), which is unique and of the highest importance, the spokesman explained.

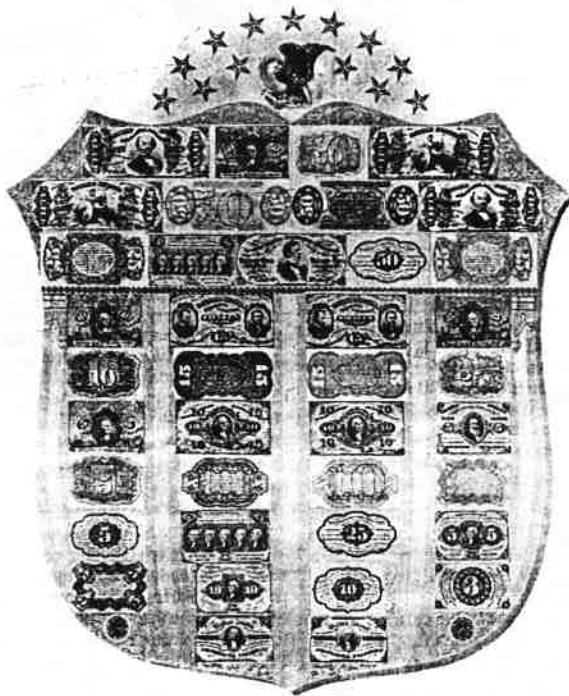
The specimen notes were the result of the U.S. government's experimentation with several different types of printing processes and papers as a means of trying to combat counterfeiting.

To further combat the menace of counterfeiting, the Treasury Department prepared shields of the Fourth and Fifth Issues, consisting of a collage of 39 uniface specimens. These were sold to banks and merchants for \$4.50 for the purpose of comparing suspect notes. However, there was little demand for these shields and most were destroyed shortly after their issue. The Kessler collection contains examples of all three types of these shields (the gray, green and pink), the spokesman pointed out.

The collection has a group of Fractional Currency vignettes which served as the prototypes for many of the images that appeared on the currency itself. These portray General Spinner, George Washington and other individuals.

Perhaps the most intriguing element to the collection, the firm spokesman said, might be an important and hitherto unrecorded letter that succinctly explains the need for and demand of the first issue of Fractional Currency. It is signed by General Spinner, Treasury, U.S. Sept. 5, 1862.

"Dear Sir, It is utterly impossible to furnish the 1/100th part



*The Kessler collection of Fractional Currency also features three types of shields.*

of demand for Postage Currency. Today we are sending all we have to New York to stop the paying out of specie there. Hope to be able to do something more for Chicago in a day or two." It is signed by Spinner, the reverse with a notation, "Cannot supply the foreign demand for Postage Currency."

Kessler assembled a collection that is distinguished both by its depth and its overall state of preservation, Sotheby's pointed out. All the major types are present, with only a handful of notes missing, and these were lacking not because they were unavailable, but rather because they

were not up to Kessler's standards.

In light of the extraordinary range and the obvious care with which it was assembled, it has been decided to offer the collection in its entirety as the final lot of the auction, lot 565, the Sotheby's spokesman said. Estimate upon request.

The sale will take place March 27 at 10:15 a.m. and 2 p.m. at Sotheby's, 1334 York Ave., New York, N.Y. 10021. Catalogs will be available. For more information, call Mish Tworowski or Paul Song at 212-606-7391. Call 1-800-447-6843 to order a catalog.

